10: d'Orleans--289-290 T-3 (1891-92) 1894 Laos
116, 133, 441, 501, 563

"Lower down,[LSS: at Luang Prabang] lying against the river bank itself, immense rafts, real houses of thirty to forty yards long, carry stocks of merchandise and of various commodities, regularly [290] stacked one above the other. Chinamen live in these floating establishments.

The bank only rises some fifteen yards, and the shallow water scarcely hides a few sandbanks, while the calm powerful river flows on in a muddy stream more than 400 yards wide."

10: d'Orleans--360
116, 441, 563, 177.44
636.44

T-3 (1891-92) 1894

Laos
France

"The trade of Laos, like that of the greater part of Siam, is carried on by the Chinese, who form a sort of freemasonry among one another against the foreigner and are constantly pushing forward their advance posts. Masters of the Customs, more intelligent, more hard working, more temperate and more rapacious than the Siamese, they constitute the commercial class, and they have a way of insinuating themselves into the secrets of the natives and transferring their money into their own pockets which we neither could nor would wish to imitate. Our task is a higher one, and it consists, upon the one hand, in undertaking and carrying out such enterprises in the way of mining as I have described above, and upon the other in supplying the native or Chinese middlemen with the raw material and with our national goods upon as reasonable terms as English or German merchandise."

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Goods are imported in the northern part of the land by the Hos, the Burmese and the Ngieous, in the form of merchandise from Yunnan, Tibet, China, India and even Europe. They include furs, iron and copper pots, tin, cotton and silk clothing, small wares, tea, articles for opium smokers, horses, silk, cotton and light wool goods, lacquered boxes, swords, machetes, rifles, etc.

In the middle region and the south, Chinese, Cambodians, Siamese, Annamites and Europeans import the following articles: salt, cloth goods, thread, hats, knit wear, blankets, umbrellas, petroleum, matches (1), worship articles, dyes, bars of iron, porcelain bowls,

(1) Of Japanese manufacture imported through Bangkok and Moulmein, and of Annamite or Tonkinese manufacture imported through Saigon and Vinh.

perfumes, clocks and watches, glassware, paper goods, hardware, copper goods, nails, locks, drugs, a few Chinese staples, etc.

Since Laos has no direct access to the sea, it has no maritime outlets. It gives up its export products to middlemen established in Siam, Yunnan, Annam, Cambodia or Cochinchina, and these middlemen re-export Laotian products to various overseas markets or resell them on the spot for local consumption.

3. PRESENT-DAY COMMERCIAL ESTABLISHMENTS. COMMERCIAL PROCEDURES.

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Just about everyone engages in trade in Laos, in highly variable proportions, to be sure, and each according to his resources. There are, however, real merchants, [422] businessmen and traders who are the middlemen between the native producers and the exporters in neighboring countries or on the coast. The greater number of these, and also the most active ones, are the Chinese, then come the Hos and the Burmese. They may act either on their own account, or in behalf of a small local syndicate, or again as representatives of Chinese or European houses established in the ports.

The Laotians are more likely to operate individually or in family groups financed by nobles, officials of high rank or wealthy men who use this means of putting to work the capital which business has already brought them.

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Europeans are beginning to come to Laos for the purpose of engaging in commerce. They generally settle on the banks of the Mekong.

Large business houses in Cambodia and Cochinchina support various enterprises with their money. They provide an outlet for the natural products which they assemble, and supply their agents with merchandise for exchange. The latter operate in the following manner. They have touts who range over the interior of the country with a stock of imported articles which they sell or exchange, in whole or part, for local products. At certain times of the year, generally after the waters go down, temporary markets spring up at fixed points, generally at the Mekong's junctions with its chief tributaries. The middlemen set up their merchandise, and the producers come from the interior to make trades, purchases or sales and to acquire the objects which they need and which neither the country nor local industry can supply. Oftentimes also the producers do not have to move about, and the buyers come and find them in their villages.

In addition to these small markets there are larger ones such as those of Luang-Prabang, Paklay, Vien-Tiane, Nong-Khay, Oubone, Bassac, etc., where the touts and small tradesmen bring their regional products. It is in these centers that merchandise accumulates, and it is from here that it leaves for the great markets in neighboring countries and for [423] [Illustration] [424 Blank page] [425] the ports. Here too the small retailers lay in new supplies of imported products which will be sold in the course of the year for daily consumption in the muongs and villages.

The present organization of commerce in Laos is harmful to the interests of the producers, in the sense that the temporary markets where exchanges are effected are highly scattered, with no link between them; and are often quite remote from the larger centers. The result is that a few import traders lie in wait at the crossroads to the interior or else go into the interior and dictate to the natives, who are ignorant of the value of the trade commodities as well as of that of the country's products in the larger centers. They profit from this state of affairs in order greatly to increase the prices of imported merchandise while at the same time undervaluing local products among the natives. At the present time the latter are therefore at the mercy of these small ambulating merchants, who are in league to fleece them.

Measures should consequently be taken to remedy these conditions, that is to say to defend the economic position of Laotian producers, our nationals, against the rapacity of the merchants--

439 almost all Chinese, the masters of the markets--who scour the country and leave behind none or almost none of the profits which they extract from it.
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443 Might not the administration establish, for example, periodic fairs under its supervision which would be held in certain suitably chosen spots? Under its direction market prices would be posted and placed within everyone's ken, and the daily market price could be found of import and export commodities on the nearest large markets and even on coastal markets. Producers would thus gain correct information on the value of their merchandise and would be in a position to decide whether it was to their advantage to operate locally or to go further on before making their transactions.

The question would still remain of giving strong encouragement to private initiative with a view toward the establishment of repositories or emporiums equipped to handle the natural products of the country in wholesale or retail quantities. Such [426] trading posts or factories could compete with the present-day traveling merchants by offering higher prices and also supplying imported goods on more favorable terms. The French Syndicate of Laos [Syndicat français du Laos] made a beginning in this direction as early as 1890 and 1891 by establishing its factories at Luang-Prabang, Nong-Khay and Xieng-Hong and later on, in 1892, at Bassac and Outhene, thus distributing factories spaced along the great river over an extent of nearly 2000 kilometers. The guiding idea of the promoters and stockholders of the Syndicate was that its agents should above all else be precursors and pioneers of a fertile idea, just as its counters should be landmarks for future and lasting establishments to be created after their example and beyond their initiative. Once this task had been accomplished, however, the pioneers dispersed and the landmarks so successfully placed were not utilized.

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439 Yet isolated attempts made in recent years by several of our countrymen have not always, it must be confessed, been crowned with
441 success. Without special commercial aptitudes, without either the
443 necessary capital or credit and consequently not able to supply themselves at first hand, and restricted by the system of customs now in force in Indo-China, they have not succeeded in all their operations despite their real efforts and their unquestioned good will. Neither should we lose sight of the fact that commerce in Laos should not seek its chief profit in the sale of imported products, but rather in the exportation of a few selected natural products such as sticklac, benzoin, cardamom and rubber, among others.

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In spite of the disadvantageous conditions governing any commercial undertaking in Laos, two young merchants of foreign origin have not hesitated to resume part of the program of the French Syndicate. Financed and supported by one of the large Saigon business houses, they founded a similar trading post or factory at Vien-Tiane in 1898 (1).

(1) Two companies, one the Company of French Factories, the other the Company of Laotian Factories, have just been formed in Tonkin. It is their intention to do business in Laos.

They set to work courageously, sparing no effort and working themselves at the various handling operations with a view toward reducing their overhead expenses.

For nearly three years they have tried everything in the way of importing and exporting, without any particular bias, their ideal being to traffic in French products using commercial routes and a port which was also French.

[430] According to them, the status of their undertaking is as follows.

Although they benefit, like other importers, from the privilege of an eighty percent exemption from customs duties levied at Saigon on imported merchandise of foreign origin (1), they cannot compete

(1) It would seem that this exemption has just been suppressed on imports into French Laos, that is to say into the territories on the left bank of the Mekong.

One feature has resulted which is odd to say the least. Foreign merchandise coming from Saigon or Pnom-Penh, for example, and destined for Siamese Laos, that is to say for the territories on the right bank, benefits from an eighty percent exemption from duties levied on merchandise in transit through French Indo-China. On the other hand, merchandise destined for the left bank, which is French territory, pays the full duty without any reduction.

It is therefore to the advantage of merchants established in Laos to cross over to the right bank, that is to say from France to Siam! This is also an inducement to fraud, for the exempt merchandise on the right bank can cross over to the left bank without difficulty.

with the products of the same kind which come in through Bangkok.